



Management of Natural Resources in Sub-Saharan Africa

Kinshasa Conference, March 21-22, 2012

PROGRAM

In many sub-Saharan Africa (SSA) countries, extractive industries—oil, forestry, mining—account for a significant share of output and a major share of export earnings. Rising commodity prices have further boosted economic growth and exports in many countries. Yet, enormous challenges remain in managing these flows in often weak institutional environments. Macroeconomic strains include competitiveness problems stemming from appreciating real exchange rates, narrow tax bases, and exposure to volatile commodity markets. But there are also microeconomic problems, not least in the tax and regulatory frameworks. Despite the large flows, extractive industries often make a relatively small contribution to budgetary revenue, and, consequently, the wealth of the state. Increasing the returns from these industries must be a primary objective of resource-rich SSA countries but doing so remains a major challenge.

Against this background one of the objectives of this conference is to present the latest analysis and thinking on the macroeconomic management of natural resource revenue, and elaborate on how the policy dialogue with SSA countries has evolved. It will also cover tax policy, administration, and regulatory frameworks conducive to good management of natural resources with particular focus on how to make them work in a weak institutional setting.

The conference provides an opportunity to exchange views with academics, policy makers in the region and elsewhere, and stakeholders, on new ways to look at an age old problem.



Managing Natural
Resource Wealth –
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WEDNESDAY, MARCH 21, 2012: MACROECONOMIC MANAGEMENT OF NATURAL RESOURCES

0800	Registration
0900	Welcome by Matata Ponyo Mapon, Minister of Finance, Democratic Republic of the Congo
0915	Opening Remarks by Antoinette M. Sayeh, Director, African Department, IMF, on the Challenge of Managing Natural Resources in Low-Income Countries
0930	<p>Session 1: Natural Resource Flows and Macroeconomic Policies</p> <p>Managing the windfall from increasing resource revenue in good times and dealing with spending cuts when a “boom” fades, Dutch disease and international competitiveness, concerns about the coordination of reserve/monetary, and fiscal policies and external sustainability are major policy issues that are as pertinent today as they were yesterday. This session sets the stage for the conference through a discussion on the latest thinking about this age-old problem.</p> <p>Chair: Maria Kiwanuka, Minister of Finance, Planning, and Economic Development, Uganda</p> <p>Panelists: Catherine Pattillo, Advisor, Strategy, Policy, and Review Department, IMF Anthony Venables, BP Professor of Economics, Oxford University Mattia Pellegrini, Member of the Cabinet of Antonio Tajani, Vice-President of the European Commission</p> <p>Open discussion</p>
1100	Coffee Break
1130	<p>Session 2: Operational Aspects of Fiscal Policy in Resource-Rich Countries</p> <p>Fiscal policy stands center stage in resource-rich countries because natural resource revenue is finite and highly volatile. This raises complex issues of sustainability and intergenerational equity, and financial management and the appropriate savings vehicles, including Sovereign Wealth Funds. This session explores the operational aspects of fiscal policy from a theoretical and practical perspective.</p> <p>Chair: Matata Ponyo Mapon, Minister of Finance, Democratic Republic of the Congo</p> <p>Panelists: Sanjeev Gupta, Deputy Director, Fiscal Affairs Department, IMF Joe Asamoah, Managing Director, EnerWise Africa Olgario de Castro, Chairman, Investment Advisory Board, Petroleum Fund, Timor-Leste</p> <p>Open discussion</p>
1300	Lunch

1430

Session 3: Public Investment as the Engine of Sub-Saharan African Growth

Natural resource revenue has augmented fiscal space in many sub-Saharan African countries, creating the potential for public investment to be the engine of growth and poverty reduction. But in the past, scaling up public investment has often led to disappointing results. This session explores the pros and cons of scaling up investment, measures to enhance public investment efficiency and the potential constraints, and country experience.

Chair: Gilbert Ondongo, Minister of Finance, Budget, and Public Portfolio,
Republic of Congo

Panelists:

Paul Collier, Professor of Economics and Director of the Centre for the Study of African
Economies at Oxford University

Anand Rajaram, Sector Manager (Africa Region), World Bank

Pedro Conceição Couto, Vice Minister of Finance, Ministry of Finance, Mozambique

Open discussion

1600**Coffee Break**

1630

Session 4: Raising the Bar on Governance and Transparency in Managing Natural Resources

Good governance and transparency in the management of natural resources is essential for accountability and getting the most from the exploitation of a country's resource endowment. A broad-based panel will lead a discussion on the best ways to accomplish these goals.

Chair: Tim Bittiger, Regional Director for Francophone Africa and Europe,
Extractive Industries Transparency Initiative

Panelists:

Gavin Hayman, Director of Campaigns, Global Witness

Jonathan Hobbs, Senior Policy Advisor (Natural Resources Governance—Trade and
Investment), WWF

Zainab Ahmed, Executive Secretary, Nigeria EITI

Yongpeng Zhang, Research Fellow, Chinese Academy of Social Sciences

Open discussion

1930

Reception/Dinner (hosted by the DRC authorities)

THURSDAY, MARCH 22, 2012: MICROECONOMIC ASPECTS OF MANAGING NATURAL RESOURCES

0830	Session 5: How the Government Gets its “Fair Share”
	<p>Relatively strong commodity prices in recent years combined with declining external financial support for low-income countries has many policy makers in resource-rich countries asking how government can get its fair share of resource wealth. This session explores the many issues surrounding the role of the public sector in managing natural resources: public versus private ownership; sharing of risks and rewards between government and private-sector investors; and the experience of in managing the interests of the state and multinational enterprises.</p>
	<p>Chair: Holger Grundel, Senior Advisor, Department for International Development, United Kingdom</p>
	<p>Panelists: Philip Daniel, Deputy Division Chief, Fiscal Affairs Department, IMF Kathryn McPhail, Director, International Council on Mining and Metals William Curtis, Secretary General, Ministry of Mines and Geology</p>
	<p>Open discussion</p>
1000	Coffee break
1030	Session 6: Administering and Efficient Management of Natural Resource Revenue When Capacity is Weak
	<p>New policy instruments like the resource rent tax are gaining ground as the means to capture more revenue from the natural resource sector. But administering such measures and projecting the tax take is challenging, especially if capacity is weak. In this “hands-on” session, experienced practitioners share their views on what works and what does not in this setting.</p>
	<p>Chair: Roger Nord, Deputy Director, African Department, IMF</p>
	<p>Panelists: John Calder, IMF Technical Expert Antoine Heuty, Deputy Director, Revenue Watch Institute Chansa Shambuluma, Acting Commissioner Domestic Taxes, Zambia Revenue Authority Martin Kabwelulu, Minister of Mines and Acting Minister of Oil, Democratic Republic of the Congo</p>
	<p>Open discussion</p>
1200	Roundtable discussion: Lessons and the Way Forward
	<p>Moderator: Anthony Venables Participants: Antoinette Sayeh, Minister Matata, Minister Kiwanuka, Vice-Minister Couto, Kathryn McPhail, and Gavin Hayman</p>
1330	Lunch
1730	Cocktail (hosted by the DRC authorities)

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Kuwait

